



SOLVING
FOR 2022

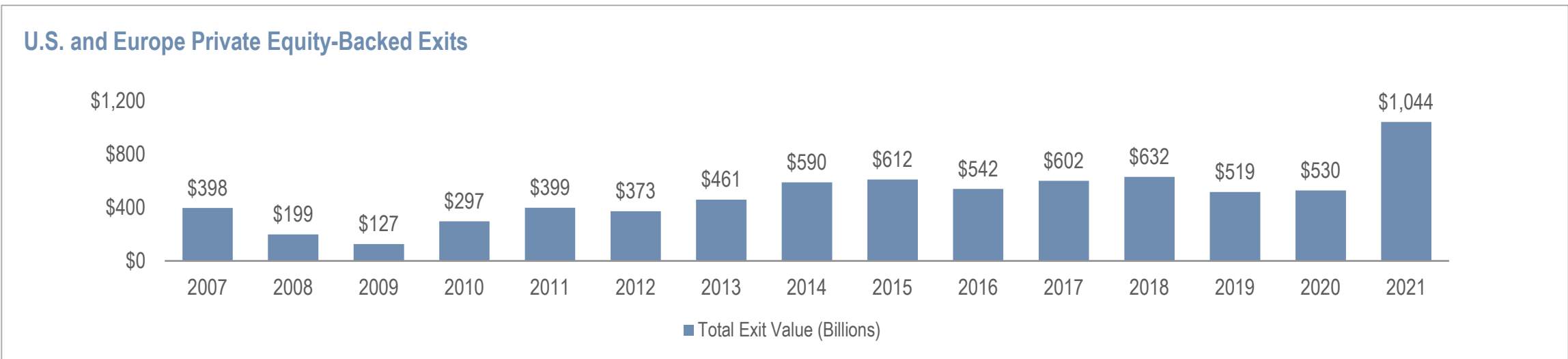
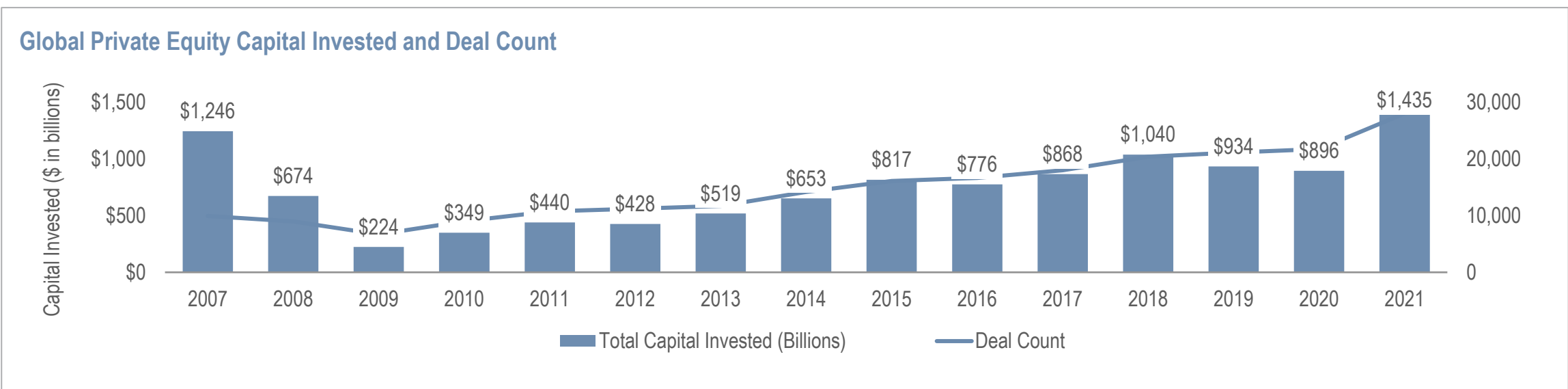
Where Should You be Allocating in Private Markets in 2022?

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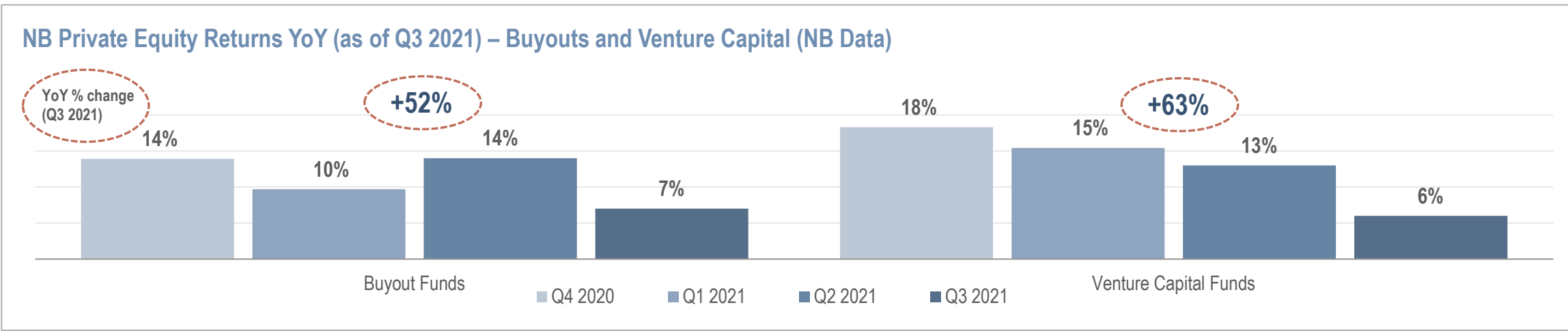
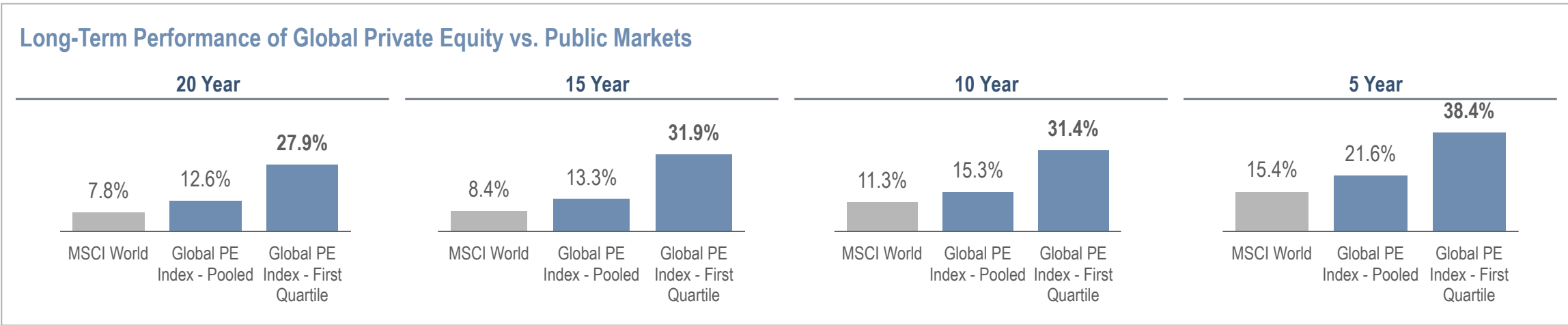
1. The State of Private Markets – Where Have we Come From?

Record Levels Of Investment Activity And Strong Realizations



Top graph source: Pitchbook as of 2021 Q4. Includes buyout, late stage VC, and growth equity.
 Bottom graph source: Pitchbook, as of 2021 Q4.

Private Equity Delivering Strong Returns

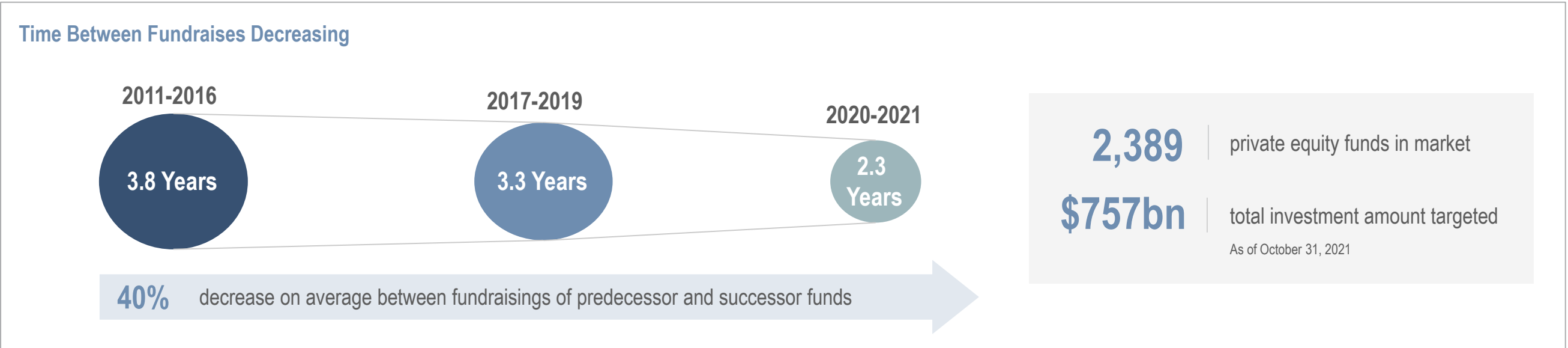
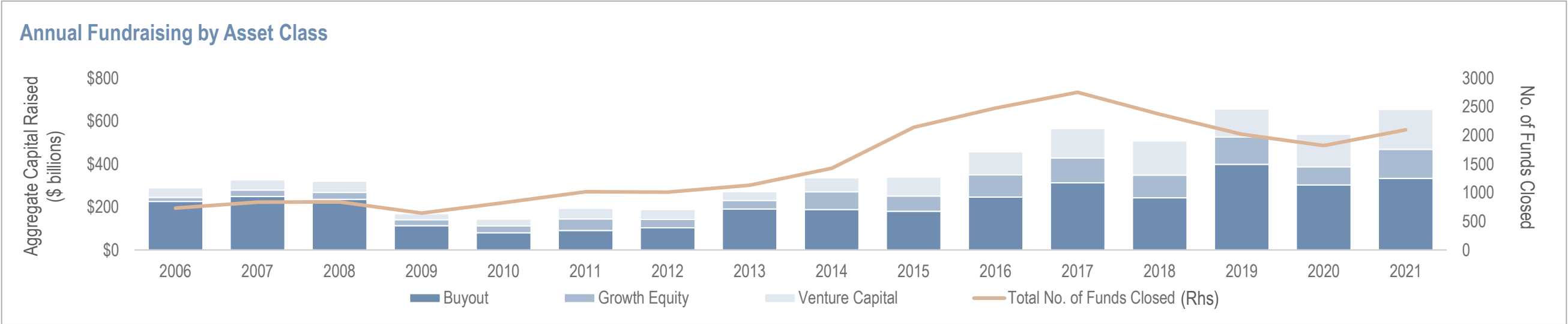


Top chart source: For illustrative purposes only. The benchmark performance is presented for illustrative purposes only to show general trends in the market for the relevant periods shown. The investment objectives and strategies of the benchmarks may be different than the investment objectives and strategies of a particular private fund, and may have different risk and reward profiles. A variety of factors may cause this comparison to be an inaccurate benchmark for any particular type of fund and the benchmarks do not necessarily represent the actual investment strategy of a fund. It should not be assumed that any correlations to the benchmark based on historical returns would persist in the future. Past performance is no guarantee of future results. Indexes are unmanaged and are not available for direct investment. Source: Private equity data from Cambridge Associates. Represents pooled horizon IRR and first quartile return for the Global All Private Equity Index from Cambridge Associates as of June 30, 2021, which is the latest data available. Public market data sourced from Neuberger Berman.

Bottom chart source: NB data. GP materials, capital account statements, preliminary GP guidance, Capital IQ.

Note: Includes data collected through 11/29/21. Buyout Funds include small-/mid-/large-cap buyout, value buyout (special situations) and growth buyout / growth equity strategies. See additional notes on methodology in Appendix.










Private Equity Capital Formation Acceleration



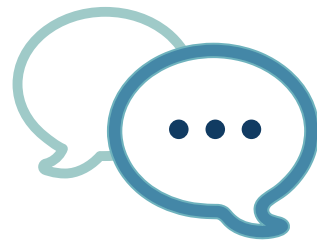
Top chart source: Preqin as of 2021 Q4.
Bottom chart source: Preqin as of October 31, 2021.

2. Where Are We Going From Here?

Investor Concerns Abound

	High valuations		Squeeze in labour markets
	Robust liquidity		Tight supply chains
	Rising inflation		Tax policies
	Rising interest rates		Geopolitical tensions
 ...and still in a pandemic			

Note: For illustrative and discussion purposes only. The statements above reflect NB Alternative Advisers' views and opinions as of the date hereof and not as of any future date.



Where to Allocate? How to Invest Successfully in Private Markets?

Disclaimer

Methodology

As part of its ongoing portfolio monitoring process, NB analyzed the changes in valuation in Q4 2020 and Q1, Q2 and Q3 2021 across a broad sample of private equity funds

- Changes in value are primarily based on reported capital account balances, supplemented by valuation guidance reported in GP presentations or provided during investor conference calls and one-on-one conversations
- For the sake of comparison, all changes in value are presented based on the percentage change in the U.S. Dollar ("USD") value of each investment (unless otherwise noted), which has an additional positive or negative impact on non-USD denominated investments given the volatility in certain FX rates
- The change in value for each quarter was adjusted for contributions and distributions that occurred during the quarter. For example, the Q3 2021 change in value was defined as either:
 - Investments with a GP reported capital account = $(Q3\ 2021\ NAV - Q3\ 2021\ contributions + Q3\ 2021\ distributions - Q2\ 2021\ NAV)$ divided by $(Q2\ 2021\ NAV)$
 - All other investments = Percentage change in unrealized portfolio value from Q2 2021 to Q3 2021, as estimated by the GP and adjusted for contributions and distributions during Q3 2021
- The sample of private equity funds that was analyzed for this presentation includes more than 300 buyout and venture capital funds managed by more than 150 different firms
- The buyout sample includes small-/mid-/large-cap buyout, value buyout (special situations) and growth buyout / growth equity strategies and excludes other strategies such as venture capital, infrastructure, energy, private debt, distressed debt and opportunistic credit
- There was a wide variance in reported valuation changes depending on underlying portfolio composition and performance, as well as the valuation methodology utilized by each respective GP

Note: Data as of November 29, 2021 based on NB Private Markets analysis.

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Indices

Cambridge Associates Global Private Equity Index: Based on data compiled from 2,450 private equity funds, including fully liquidated partnerships, formed between 1993 and 2017. Internal rates of returns are net of fees, expenses and carried interest. CA research shows that most funds take at least six years to settle into their final quartile ranking, and previous to this settling they typically rank in 2-3 other quartiles; therefore fund or benchmark performance metrics from more recent vintage years may be less meaningful. Benchmarks with “—” have an insufficient number of funds in the vintage year sample to produce a meaningful return.

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